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Attorneys for the United States of America

**IN THE UNITED STATES DISTRICT COURT FOR THE
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION**

WACHOVIA BANK, N.A. AS TRUSTEE)
(BAYVIEW), a national banking association)
Plaintiff,)
v.)
JOHN CLIFTON ELSTEAD, an individual;)
SANDRA F. ELSTEAD, also known as)
SANDRA F. WAGNER, an individua; ; TITLE)
INSURANCE AND TRUST COMPANY, a)
California corporation; FIDELITY NATIONAL)
TITLE INSURANCE COMPANY, a California)
corporation; SUSAN ELSTEAD, an individual;)
LAW OFFICES OF WALKER & DURHAM,)
an entity of unknown form; THE UNITED)
STATES OF AMERICA; MBNA AMERICA)
BANK, N.A., a national banking entity;)
MEUSER COLLECTION COMPANY doing)
business as MEUSER OF CALIFORNIA, a)
California corporation; UNIVERSAL FENCES)
& SUPPLY, INC., a California corporation;)
THE CITY OF OAKLAND, a municipal entity;)
DOES 1 through 100, inclusive,)
Defendants.)

Case No.: 3:07-cv-6015-SI

ANSWER

Defendant, the United States of America, answer the Complaint for Judicial Foreclosure
 as follows:

1. Admits.
2. Admits.

1 3-7. The United States lacks knowledge or information sufficient to form a belief as to
2 the truth of the matters asserted in paragraphs 3-7.

3 8. The United States admits that the IRS recorded a lien in the Alameda County
4 Recorder's Office against the subject property on September 12, 2002, and avers that the total
5 amount of the secured by the lien equals \$436,939.40.

6 9-11. The United States lacks knowledge or information sufficient to form a belief as to
7 the truth of the matters asserted in paragraphs 9-11.

8 12. Admits.

9 13. Admits.

10 14. The United States lacks knowledge or information sufficient to form a belief as to
11 the truth of the matter asserted.

12 15. Defendant admits the allegations of paragraph 15 as it pertains to the United
13 States or its agencies.

14 16. Admits.

15 17-33. The United States lacks knowledge or information sufficient to form a belief as to
16 the truth of the matters asserted in paragraphs 17-33.

17 **FIRST CAUSE OF ACTION**

18 34. The United States incorporates its responses to paragraphs 1-33, supra.

19 35-41. The United States lacks knowledge or information sufficient to form a belief as to
20 the truth of the matters asserted in paragraphs 35-41.

21 42. The United States lacks knowledge or information sufficient to form a belief as to
22 the truth of the matter asserted.

23 WHEREFORE, the United States prays that the Court:

24 1. Enter an Order of Sale of the Subject Property to satisfy the debts of defendant
25 John C. Elstead;

26 2. Determine the parties rights and interests to the proceeds from the sale of the
27 Subject Property; and

28 3. Issue and Order distributing the excess proceeds from the sale of the Subject
Property in accordance with parties' interests.

JOSEPH RUSSONIELLO
United States Attorney

/s/ Thomas M. Newman
THOMAS M. NEWMAN
Assistant United States Attorney
Tax Division